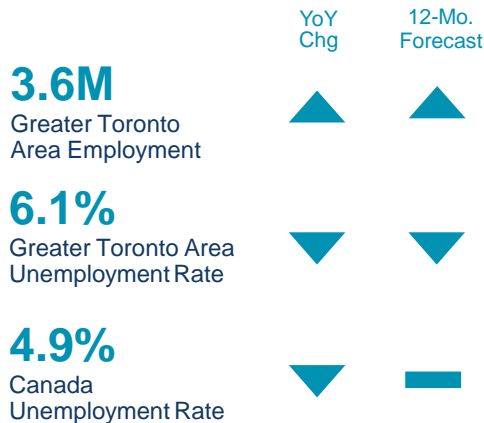


Overall, Net Asking Rent

ECONOMIC INDICATORS Q2 2022



Source: Statistics Canada June 2022

ECONOMY: Employment Growth

The Greater Toronto Area's (GTA) unemployment rate fell marginally by 10 basis points (bps) from May to 6.1% in June 2022, compared to last year's 9.7% - employment growth was up by 3.6%. On the residential front, higher interest rates continued to slow down home sales by 41% compared to last year's June strong result. The average selling price of \$1,146,254 remained 5.3% above the June 2021 level (TREB).

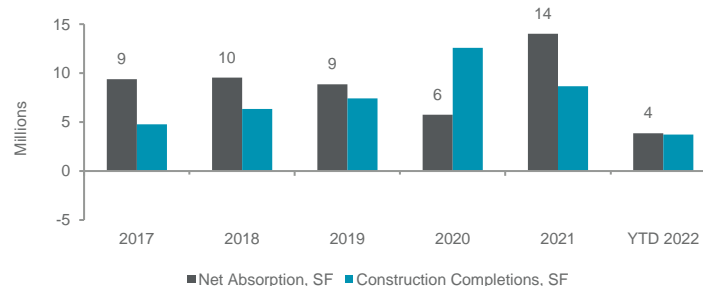
SUPPLY AND DEMAND: No Relief on Vacancy

Strengthening economic headwinds did not steer GTA's industrial market performance off course in the second quarter. Overall vacancy held below the one-percent mark at 0.7% for a third consecutive quarter, further intensifying the space challenge for occupiers. The sub-one-percent trend remained in place across three of the four major markets. Vacancy in the GTA West and Central markets remained unchanged quarter-over-quarter (QoQ) at 0.8% and 0.7% respectively, while vacancy in the North market fell by 20 bps to a new record low of 0.4%. The East market posted the only vacancy increase - a modest 60 bps bump to one percent. This was due in part to a new 240,000-square foot (sf) availability brought to market in Oshawa. Meanwhile, new leasing activity surged by 3.0 million square feet (msf) (67%) to a four-quarter high of 7.4 msf - the highest QoQ increase in two years. While new leasing remained concentrated in the small bay segment (20,000 sf and under) with 85 transactions, demand in the large bay segment also shot up. There were eight transactions over 200,000 sf for a total of 3.6 msf compared with five large bay deals a year ago - an increase of 100% year-over-year (YoY) and close to 50% of total leasing. New supply once again struggled to keep pace with demand. Of the 11 new buildings totaling 1.7 msf that arrived to the market this quarter, over 75% of the new space was spoken for upon delivery. At 1.3 msf, preleasing accounted for about 92% of this quarter's absorption of 1.4 msf. Meanwhile, developers continued to expand GTA's pipeline, breaking ground on 17.2 msf for delivery in the next two years - the second highest level of construction in the pipeline ever reached.

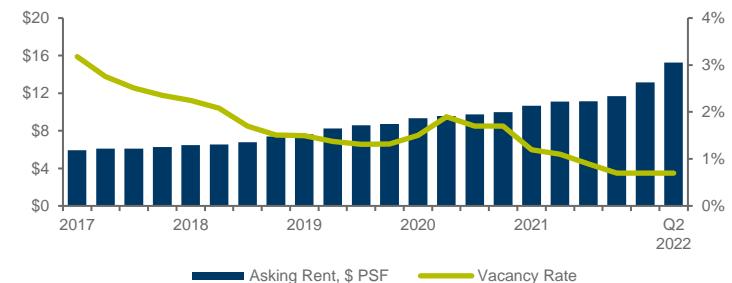
PRICING: Asking Rents Continued To Rise

While asking rents in existing buildings were barely breaking the double-digit ceiling a year ago, in this highly competitive landscape rents have continued to reach new heights. The overall asking rent shot up by the highest QoQ level on record (39%) to hit yet another high of \$15.24 per square foot (psf). This rent benchmark was achieved across the major markets except for the GTA East where the asking rate climbed to \$13.47 psf but still represented a 73% YoY increase. With market conditions this tight, rents are expected to remain on an upward trajectory for the foreseeable future.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q2 2022

GTA UNDER CONSTRUCTION



TOTAL UNDER CONSTRUCTION SF
17.2 MSF



TOTAL AVAILABLE SF
10.1 MSF

SPECULATIVE



TOTAL SF SPEC UNDER CONSTRUCTION
14.7 MSF



SPEC BUILDINGS ACCOUNT FOR
85% OF TOTAL CONSTRUCTION

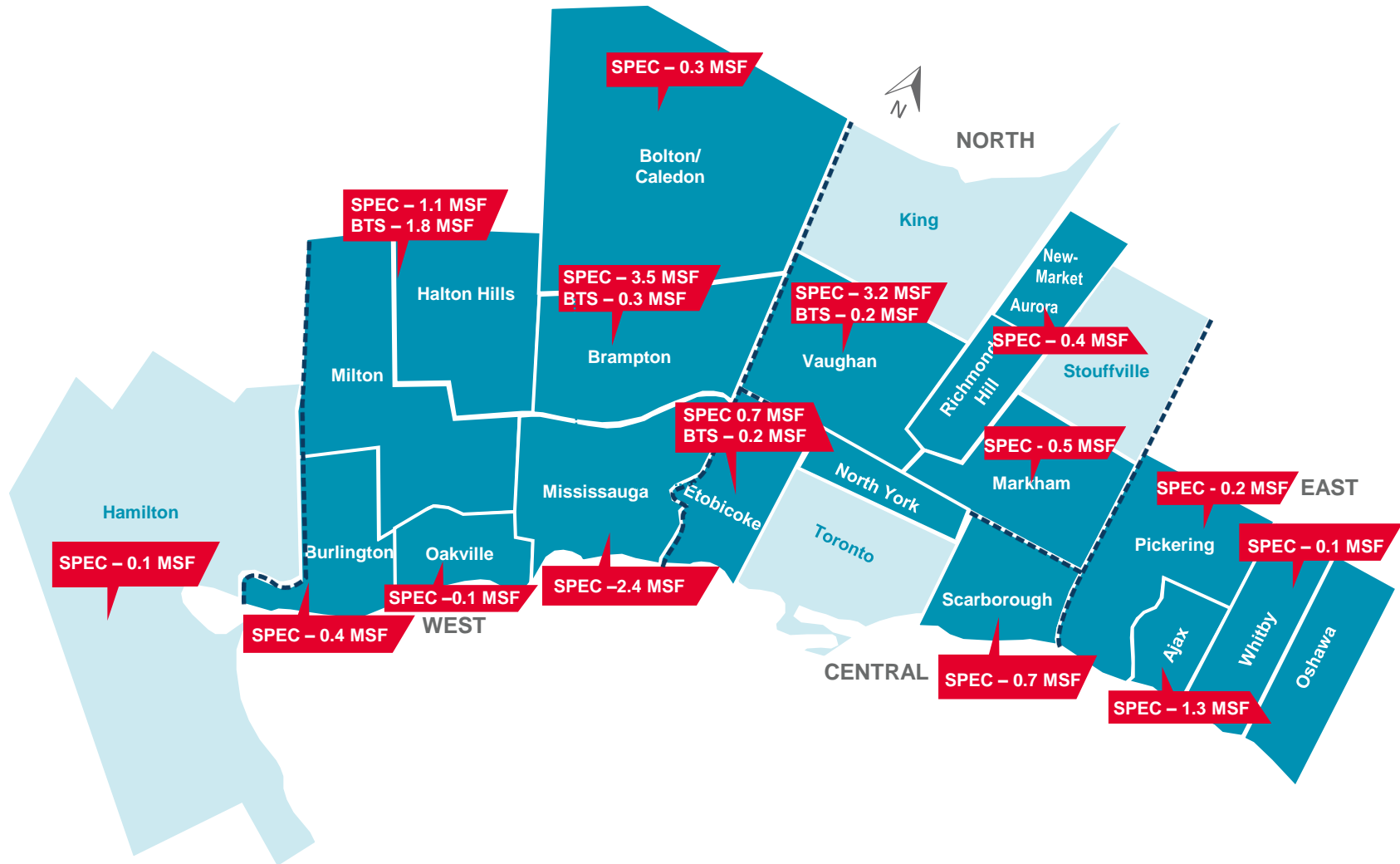
BUILD TO SUIT



2.5 MSF
TOTAL SF BTS UNDER CONSTRUCTION



BTS BUILDINGS ACCOUNT FOR
15% OF TOTAL CONSTRUCTION



Industrial Q2 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD ADJUSTED OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*	OVERALL WEIGHTED AVG TMI**	OVERALL WTD AVG ASKING SALE PRICE \$/SF
GTA Central	225,319,834	1,511,006	0.7%	336,372	974,332	1,596,027	378,238	\$15.23	\$4.52	\$425.29
GTA West	374,639,741	3,105,615	0.8%	962,241	1,949,882	9,810,426	1,125,579	\$15.35	\$4.43	\$417.05
GTA North	156,782,472	704,631	0.4%	209,299	973,922	4,338,323	40,364	\$15.53	\$4.60	\$575.01
GTA East	47,602,943	468,940	1.0%	-132,209	-39,073	1,501,740	137,782	\$13.47	\$5.02	\$310.10
SUBURBAN	579,025,156	4,279,186	0.7%	1,039,331	2,884,731	15,650,489	1,303,725	\$15.25	\$4.73	\$409.95
GTA TOTALS	804,344,990	5,790,192	0.7%	1,375,703	3,859,063	17,246,516	1,681,963	\$15.24	\$4.50	\$418.30
HAMILTON	52,776,389	867,622	1.6%	-115,090	-122,040	145,054	137,620	\$8.21	\$3.22	\$215.81

*Rental rates reflect weighted net asking \$psf/year.

** TMI – Taxes, Maintenance, Insurance

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
5185 Garrard Road	Whitby	E-Commerce	943,160	New Lease
100 West Drive	Brampton	O-I Canada Corp	895,512	New Lease
1330 Martin Grove Road	Etobicoke	Brimich Logistics	367,480	New Lease

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
100 West Drive	Brampton	Owens Illinois Inc. / Crestpoint Real Estate Investment Ltd.	895,512	\$244,000,000 / \$272.47
560 Hensall Circle	Mississauga	1973811 Ontario Inc / /Triovest	216,846	\$53,000,000 / \$244.41
1845 Birchmount Road	Scarborough	Remington Group / Secure Capital	160,600	\$26,477,496 / \$164.87
32 Cranfield Road	East York	Sun Life Assurance Company of Canada / Access Self Storage Inc.	101,228	\$27,750,000 / \$274.13

KEY CONSTRUCTION COMPLETIONS 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
15 Bramalea Road	Brampton	Syncreon	373,757	Carttera
1330 Martin Grove Road	Etobicoke	Brimich Logistics	367,480	1330 Martin Grove Road LP
759 Winston Churchill Boulevard/Bldg.3	Mississauga	Goodfood	278,097	Moldenhauer Developments

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